

*a*  
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*a Professional Corporation*

December 08, 2010

Utah Division of Oil, Gas & Mining  
1594 West North Temple  
P. O. Box 145801  
Salt Lake City, UT 84114-5801

*C/015/025 Incoming*  
*cc: Dana, Steve A,*  
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*Vickie S.* #3654  
*OK*  
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**VIA HAND-DELIVERY**

RE: Castle Valley Mining, LLC Request to Transfer  
Coal Mining Permit C/015/025

Dear Sirs:

The undersigned represents the legal interests of Hiawatha Coal Company, Inc. ("Hiawatha") in connection with the pending application of Castle Valley Mining, LLC ("Castle Valley") to transfer coal mining permit C/015/025. Hiawatha objects to the application of Castle Valley for the following reasons:

Castle Valley is applying for the permit as a result of its purchase of assets from the bankruptcy estate of C. W. Mining. The Bankruptcy Court's ruling authorized the sale to Castle Valley Mining of leases which exist adjacent to the permit area. The lease area includes areas which require water quality sampling, subsidence monitoring, disturbed area maintenance and reclamation liability and bonding requirements. The bankruptcy sale of assets included a coal operating agreement between ANR, Inc. and C. W. Mining to operate the mine within Hiawatha's permit area. Accordingly, the transfer of the Bear Canyon permit must address the transfer of this area from the Hiawatha permit to the Bear Canyon permit and replacement of the reclamation bond on the portion of the Hiawatha permit area which Castle Valley now controls. Therefore, there should be no permit transfer allowed unless and until Castle Valley addresses these liability issues, including the replacement of the portion of the bond associated with the ANR leases.

Hiawatha requests a hearing and/or informal conference concerning these issues as alluded to in the Division's notice of the requested permit transfer.

Thank you for your considered attention to the foregoing.

Sincerely yours,

  
PETER W. GUYON

PWG/me

cc: Hiawatha Coal Company, Inc.

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**DEC 08 2010**

**DIV. OF OIL, GAS & MINING**